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REMARKS

This is in response to the Office Action mailed October 27, 2006. In the Office Action, the Examiner notes that claims 31, 47-49 and 67-79 are pending of which claim 31 is allowed, claims 47-49 are objected to, and claims 47-49 and 67-79 are rejected. By this response, Applicants have amended claims47, 67, 70, 74 and 77. No new matter has been added.

In view of the foregoing amendments and the following discussion, Applicants submit that none of the claims now pending in the application are obvious under the provisions of 35 U.S.C. §103. Thus, Applicants believe that all of these claims are now in allowable form.

It is to be understood that Applicants, by amending the claims, do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant response including amendments.

I. CLAIM OBJECTIONS

The Examiner has objected to claims 47-49 because claim 47 recites the limitation "the controller CPU" in line 25. The Examiner states that there is insufficient antecedent basis for this limitation in the claim.

In response to the Examiner's objection, claim 47 has been amended to change "the controller CPU" to --the control CPU-. As such, Applicants respectfully submit that the objection should be withdrawn.

II. REJECTION OF CLAIMS 47-49 AND 67-79 UNDER 35 U.S.C. § 103

A. Claims 47, 48, 67-79

The Examiner has rejected claims 47, 48 and 67-79 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent 5,400,401 to Wasilewski et al. (hereinafter "Wasilewski") in view of U.S. Patent 5,231,494 to Wachob (hereinafter "Wachob"), U.S. Serial No. 08/958,088 Page 11 of 13

Patent 5,251,028 to lu (hereinafter "lu"), and U.S. Patent 5,357,276 to Banker et al. (hereinafter "Banker"). Applicants respectfully traverse the rejection.

The test under 35 U.S.C. §103 is not whether an improvement or a use set forth in a patent would have been obvious or non-obvious; rather the test is whether the claimed invention, considered as a whole, would have been obvious. Thus, it is impermissible to focus either on the "gist" or "core" of the invention. Moreover, the invention as a whole is not restricted to the specific subject matter claimed, but also embraces its properties and the problem it solves.

The Applicants respectfully submit that amended independent claims 47, 67, 70, 74 and 77 include limitations not taught or suggested by the combination of Wasilewski, Wachub, Iu and Banker. Independent claims 47, 67, 70, 74 and 77 are amended to capture the novel way a first-in-first-out control logic communicates with a network controller CPU and the network controller CPU communicate with the control CPU, as similarly recited in allowable independent claim 31.

Specifically, the combination of Wasilewski, Wachub, lu and Banker fail to teach or suggest first-in-first-out control logic for monitoring the number of video packets input to and output from each of the plurality of first-in-first-out storages, sending a control signal to a network controller CPU when an individual first-in-first-out storage is reaching capacity, and opening and closing the plurality of output gates to maintain a constant output of the serializer and a network controller for controlling the operations of the control CPU and the set top terminals comprising the network controller CPU, connected to the receiver, for generating instructions to the control CPU using the communications from the set top terminals, as positively claimed by independent claims 47, 67, 70, 74 and 77. Thus, Wasilewski in view of Wachob, lu and Banker alone or in combination fail to teach or suggest Applicants' invention as a whole.

As such, independent claims 47, 67, 70, 74 and 77 are patentable under 35 U.S.C. §103 over Wasilewski, Wachob, Iu and Banker. Furthermore, claims 48, 68-69, 71-73, 75-76 and 78-79 depend directly from independent claims 47, 67, 70, 74 and 77 and recite additional limitations thereof. As such, Applicants submit that these dependent claims also are patentable under 35 U.S.C. §103 over Wasilewski, Wachob,

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lu and Banker. Therefore, Applicants respectfully request that the Examiner's rejection be withdrawn.

B. <u>Claim 49</u>

The Examiner has rejected claim 49 under 35 U.S.C. §103(a) as being unpatentable over Wasilewski, Wachob, lu and Banker in view of U.S. Patent 5,099,319 to Esch et al. (hereinafter "Esch"). Applicants respectfully traverse the rejection.

Each of the grounds of rejection applies only to dependent claims, and each is predicated on the validity of the rejection under 35 U.S.C. §103 for the corresponding independent claims. Since the rejection of the corresponding independent claims under 35 U.S.C. §103 has been overcome, as described hereinabove, and there is no argument put forth by the Office that any other additional references supply that which is missing from Wasilewski, Wachob, lu and Banker to render the independent claims unpatentable, these grounds of rejection cannot be maintained.

Therefore, Applicants respectfully request that the Examiner's rejection of claim 49 under U.S.C. §103(a) be withdrawn.

III. ALLOWABLE CLAIMS

The Examiner indicated that independent claim 31 is allowable. The Applicants thank the Examiner for the allowance of independent claim 31.

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CONCLUSION

Thus, Applicants submit that claims all of the pending claims are in condition for allowance. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall or Jimmy Kim at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

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